

**FOREIGN ASSISTANCE LEGISLATION FOR
FISCAL YEAR 1981
(Part 4)**

**HEARINGS AND MARKUP
BEFORE THE
SUBCOMMITTEE ON
ASIAN AND PACIFIC AFFAIRS
OF THE
COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES
NINETY-SIXTH CONGRESS
SECOND SESSION**

Economic and Strategic Assistance to Asia and the Pacific

HEARINGS

CHIEF OF STAFF: JAMES H. HARRIS



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and assistance on different issues. Now, while I do not subscribe to that assessment, I believe we risk worsening our reputation if we act as if American interests alone were at stake in Pakistan's defense. Both Islamabad and Washington, need appropriate, rationally drawn security ties to protect their nations' interests. We should not go hand in hand to anyone to ask cooperation which is to the other's advantage as much as it is to our own.

Having delivered these observations, I now welcome the testimony of the witnesses from the Departments of State and Defense. I have invited Deputy Assistant Secretary of State Jane Coon, as well as Dr. Henry Gaffney, Director for Near East and South Asian Affairs of the International Security Agency of the Department of Defense. We are also pleased to have with us today Mr. Jack Sullivan, Assistant Administrator of AID's Bureau for Asia.

I should like to ask my colleague, Mr. Hall, if he would like to make any remarks at this point.

Mr. HALL. Thank you, Mr. Chairman. I have no statement. I will have a few questions, though, of the witnesses.

Mr. WOLFF. Thank you, Mr. Hall.

Ms. Coon, if you do not mind, before I go any further, my colleague perhaps, the ranking member of the subcommittee, would like to have a word.

Mr. GUYER. I am just privileged to be here. I have not heard the dialog up to now, but the reason why we are here is more important than what I would say, so I prefer to defer.

HOUSE CONCURRENT RESOLUTION 274

Mr. WOLFF. I am wondering if we could suspend for a moment to take up another urgent piece of business.

[Whereupon the subcommittee considered House Concurrent Resolution 274.]

Mr. WOLFF. I am sorry, Ms. Coon, we had to take time out of your exposition before us, but there are other matters that this committee must attend to as well. Please proceed now.

I thank the committee for its cooperation.

STATEMENT OF JANE A. COON, DEPUTY ASSISTANT SECRETARY, BUREAU OF NEAR EASTERN AND SOUTH ASIAN AFFAIRS, DE- PARTMENT OF STATE

Ms. Coon. Mr. Chairman and members of the committee, I am pleased to have this opportunity to appear before the subcommittee today to discuss with you the complex diplomatic, political, and security situation in South Asia today.

Never before, I think, has South Asia seemed more important, nor the challenges to our interests more real and direct. Old problems remain, but new developments require us to reexamine our policies in a fresh and creative fashion. As we begin to adjust to the new situation created by the Soviet invasion of Afghanistan, it is even more important than ever that Congress and the administration share their respective assessments and consult closely on appropriate and effective ways to pursue long-term U.S. interests in the region.

You have described, Mr. Chairman, some of the apparent paradoxes in the policy choices facing us in South Asia. It is precisely because

there are no obvious answers that we are here today. You and your committee have an interest and the experience of many years' standing in the region. With the extensive travel that you and many of your colleagues have done in Asia, you bring to these problems both the insight of direct experience and the perspective of the legislative branch. I hope that together we can bring into sharper focus the issues before us, recognizing that none of our choices will be easy.

SOVIET INVASION

I would like to begin by talking about our security interests in South Asia and how we analyze them in light of recent developments. Inevitably, the Soviet move into Afghanistan affects the manner in which we address all other aspects of our policies. I would then like to move on to some of the other issues you have raised, including nuclear nonproliferation, conventional arms transfers, and human rights, and relate these to our security interests, which are the principal theme of my statement.

The Soviet invasion of Afghanistan has dramatically changed the security situation in South and Southwest Asia—areas of vital interest to the United States. In responding to this challenge, we are proceeding along several parallel tracks.

You are aware of the steps we have taken in our bilateral relations with the Soviet Union to make sure the Soviets pay a high cost for what they have done.

Internationally, we have supported the strong condemnation passed by the U.N. General Assembly, and we have noted that the Islamic Foreign Ministers' Conference has taken even stronger exception to the Soviet action.

We are working on appropriate followup actions in international fora, including support for an appropriate resolution in the U.N. Human Rights Commission, which is meeting at this time.

We are strengthening our defense capabilities in Southwest Asia and the Indian Ocean.

We have made available over \$11 million in cash and kind for the relief of Afghan refugees in Pakistan, whose plight you know, Mr. Chairman, better than most people.

Finally, we are encouraging what we hope will be an effective regional response to the Soviet invasion. This includes efforts to strengthen Pakistan's ability and will to defend itself. It also involves keeping in very close touch with the Government of India and supporting the efforts India is making to encourage Soviet withdrawal from Afghanistan.

The country most directly affected, of course, is Pakistan. In the period since the Soviet invasion of Afghanistan, we have been able to work on parallel lines with the Pakistani Government in shaping an effective political response, both internationally and regionally.

The 2 days of intensive discussions in Islamabad, led by Dr. Brzezinski and Mr. Christopher earlier this month, built on our earlier talks with Pakistani Foreign Affairs Advisor Agha Shahi in Washington, produced a large measure of agreement on the nature of the threat and of the security relationship we seek to build between our two nations. The personal participation of President Zia throughout the discussions in Islamabad indicates, in our view, the importance which

he attaches to the regional threat to United States-Pakistani cooperation in meeting that threat.

U.S. COMMITMENT TO 1959 AGREEMENT

During these talks, we again strongly reiterated our commitment to the 1959 agreement which addresses the threat of Soviet or Soviet-directed aggression against Pakistan. The President's forthright statement of vital U.S. interest in the region in his state of the Union address seems to have had a salutary effect in helping to remove doubts about the strength and durability of our commitment. We stated our willingness to ask the Congress to affirm this commitment explicitly when we seek legislation to permit resumption of assistance. The Pakistani Government expressed satisfaction with this outcome and will not pursue their earlier request to turn the agreement into a treaty.

We were unable to reach a similar degree of agreement on our proposed levels of assistance. We described our intention to propose to the Congress a package which would authorize \$100 million of economic support funds and a like amount of FMS credits for each of the fiscal years 1980 and 1981. We described our efforts to encourage other traditional donors to increase their levels of assistance substantially, and indicated that we viewed our contribution as part of a broad multinational effort.

ASSESSMENT OF PAKISTANI NEEDS

The Pakistanis asked that we defer presenting any legislation which would specify amounts of aid until we both had a better assessment of Pakistan's overall economic and military needs, and until we had a fuller appreciation of the increased assistance which might be forthcoming from all quarters to meet these needs. We agreed to this request, while making clear that our offer of assistance continued to stand. We also explained in some detail the degree to which this delay complicates our ability to get a supplemental appropriation for Pakistan in the current fiscal year.

In the immediate period ahead, both we and the Pakistanis intend to continue discussions with those governments to which we are looking to provide additional assistance. Our discussions in Riyadh suggest that Saudi Arabia is keenly aware of the importance of strengthening Pakistan. We will stay in close touch with the Government of Pakistan as these consultations proceed.

In the meantime, our military team has had detailed discussions in Pakistan in an effort to determine the scope of Pakistan's existing military deficiencies and to identify specific types of equipment which the United States might provide to strengthen Pakistan's defensive capabilities on the Western border. We will be in touch with other potential equipment suppliers and sources of financing in an effort to collaborate with them and the Pakistanis on an overall effective response. We are prepared to process certain cash military sales, even in the absence of agreement on our assistance levels, although obviously Pakistan's ability to pay for much new equipment will be severely constrained under present circumstances.

ENCOURAGING INTERNAL STABILITY

We hope and trust that our economic support and that of other donors will make it easier for the Pakistani Government to take measures to encourage internal stability—to which the chairman referred earlier. We are confident that a U.S. military sales relationship will help Pakistan improve its ability to defend itself against the increased threat from the Northwest.

MRS. GHANDI'S GOVERNMENT

I would like to turn now to our contacts with Mrs. Gandhi's new government in India, which have also been significant.

As you know, former Secretary of Defense Clark Clifford was in New Delhi January 30 and 31 as the President's special emissary. We believe that his mission was successful in registering U.S. desires to maintain good relations and close consultative ties with the new Indian Government. The President's decision to send a senior adviser of Secretary Clifford's stature obviously gratified Mrs. Gandhi and her colleagues, and the talks he had were frank, amicable, and, in our view, highly useful.

Mr. Clifford was forthright in presenting U.S. positions on the Soviet invasion and our response to it. He made clear to the Indians that the United States was interested in their concerns and opinions, and that as the largest power in the region they had an important role in dealing with the new situation. He reiterated our belief that the efforts we have undertaken to help Pakistan meet the challenge on its northwest frontier should not adversely affect either relations with India, nor Indo-Pakistani ties.

He expressed our hope that India and Pakistan could evolve a regional response to the fundamentally changed situation which the whole region now faces, and stated that what we do to strengthen Pakistan's security should not impede such an approach. He welcomed the decision of the Indians and the Pakistanis to hold high-level talks, which took place a few days later.

We came away from the Clifford talks convinced that while the Indians are dubious about our military supply relationship with Pakistan, they are quite concerned by the Soviet invasion of Afghanistan. They share our desire that the Soviets pull out of Afghanistan. They find developments in Afghanistan a matter of concern, both for their own sake and also because, in the Indian view, the Soviet presence in Afghanistan could lead to big-power confrontation in the South Asian region.

We hope that a continuing frank dialog with India can lessen the danger that our differences in approach could adversely influence Indo-United States relations. Our offer to be more receptive to Indian interest in purchases of U.S. military equipment to meet their legitimate security requirements reflects the importance we attach to India's role and to Indo-United States relations under present circumstances.

NUCLEAR NONPROLIFERATION

Against this background, Mr. Chairman, we will also pursue our other interests in the region, which include nuclear nonproliferation,

human rights, narcotics control, and the discouragement of regional arms races. I believe that our security objectives and these other interests can be mutually supportive, and that we must seek to achieve all our goals.

The problem of nuclear proliferation causes us intense concern. If and when we reach an understanding with the Government of Pakistan about a U.S. aid relationship, we expect to propose to the Congress legislation which would suspend the strictures of our non-proliferation legislation, specifically the Symington and Glenn amendments, because of the imperatives of our security interests.

We have made it clear to the Government of Pakistan that this does not represent any lessening of concern on our part with respect to the nuclear aspect. We have plainly told them that, in our view, a nuclear explosion in the present unsettled international environment in South Asia would be even more dangerous and unwise than before. We have stated what we consider to be a fact, that a Pakistani nuclear test would drastically alter our relationship and put at serious risk our further cooperation. We intend to continue to pursue this matter with the Pakistani Government since we believe that concerns for Pakistani security and regional stability cannot be separated from the question of nuclear restraint within the region.

Both the nuclear question and our prospective military supply relationship are intimately bound up with our desire to avoid sparking an arms race, especially one between developing countries which need to spend their scarce resources on pressing development problems. Our military supply policy toward Pakistan will emphasize improving Pakistan's ability to defend its western frontier with Afghanistan and will not be directed against India.

HUMAN RIGHTS

Our interest in human rights, too, is closely bound up with our support for the region. We are convinced that equitable economic development which encompasses all regions of Pakistan and the creation of representative political institutions can make an important contribution to the stability of that country. Our recently released human rights report has highlighted some of the practices we are concerned about. We have made our views known to the Government of Pakistan and hope that we will be able to establish an aid relationship which will help Pakistan move in this direction.

NARCOTICS

In closing, let me say a brief word about narcotics. We are deeply concerned about the influx of narcotic substances from Southwest Asia into European and American markets. We are encouraged by Pakistan's recent ban on opium production in the settled and merged areas of the northwest frontier province, and by the apparent reduction in this year's crop. Realistically, this problem is likely to be with us for some time, however, and we will continue to work closely with the Government of Pakistan on enforcement and other aspects of narcotics control.

That concludes my statement, Mr. Chairman, and I am prepared to answer any questions you or members of the committee may have.

Mr. WOLFF. Do either of the gentlemen have any formal statements you would like to make?

Mr. SULLIVAN. No.

Mr. GAFFNEY. No.

Mr. WOLFF. Thank you. I have listened with interest to your statement, Ms. Coon, and I know you have been extremely helpful to this subcommittee in keeping us informed—up to a point. That is part of the problem. It has been said that we were out of the country at the time of the Soviet move. I should like to refer you back to the information made available to us. The Soviets made certain statements very clear in the form of warnings to Pakistan that they were prepared to move to support the Afghans some time ago.

I take it that the response to such a move was prepared in advance and was not just a spur-of-the-moment decision. Am I correct on that?

Ms. COON. Do you wish me to comment on this?

Mr. WOLFF. Yes, please; any one of the people here.

SOVIET BUILDUP

Ms. COON. Mr. Chairman, I think that we were aware of a gradual Soviet buildup north of the Afghan border for some time. There was no way in which we could have known when the move would take place. We certainly have given a great deal of thought to the position in which Pakistan found itself as a result of Soviet buildup in Afghanistan, ever since April 1978.

I think the actual movement of what is now over 90,000 Soviet troops into Afghanistan was an unprecedented move which went well beyond anything that one could have predicted in terms of the buildup, and this has created in and of itself a completely new situation in the region.

Mr. WOLFF. I do understand, and I think we are all aware of it, but I would like to get on the record a couple of other things, if you do not mind—and I know there are certain things we cannot take up in open session. We will probably have to take them up in closed session. Since we do not have a quorum here, we will have to delay that until the time we do have a quorum.

NUCLEAR CAPABILITY

You say on page 8, "We would expect to propose to the Congress legislation which would suspend the strictures of our nonproliferation legislation—the Symington and Glenn amendments—because of the imperatives of our security interests."

Now, you would not have to do that, would you, Ms. Coon, if you were not fairly certain that the Pakistanis had the capability, or the opportunity for the capability, of a nuclear weapon in the very near future. You would be able to, I take it, give this aid without having to worry about removing these strictures. Would I be correct in that?

Ms. COON. Mr. Chairman, you know that we have been concerned about Pakistan's nuclear program for well over 2 years. We are concerned about the kind of capability which they are acquiring, which would provide them with fissile material. The time frame is perhaps a little longer than you have indicated.

Mr. WOLFF. My point is that further on you say if they had a nuclear test, then we would drastically alter our relationship. That is after the fact, though; is it not? In other words, they then possess the capability to have a weapon operable.

Ms. COON. We have made known to the Pakistanis consistently, and we have made known very firmly in our recent discussions in Islamabad that we are concerned about their acquisition of capability, as well as the question of nuclear tests; this remains our position.

Mr. WOLFF. Would you consider the acquisition of a nuclear weapon capability in the hands of—and I am not talking about Mr. Zia—whoever might follow Mr. Zia, would you consider that to be a danger to the area?

Ms. COON. Mr. Chairman, I think it is the view of the administration that the acquisition of nuclear capability by any nonnuclear weapons state is contrary to American interests and is dangerous in any region. That is certainly the case in South Asia.

Mr. WOLFF. Dr. Gaffney, could you comment on that?

STATEMENT OF HENRY GAFFNEY, DIRECTOR, NEAR EAST AND SOUTH ASIAN AFFAIRS, INTERNATIONAL SECURITY AGENCY, DEPARTMENT OF DEFENSE

Mr. GAFFNEY. We do not disagree with that at all.

Mr. WOLFF. I am sorry; could you bring the mike closer?

Mr. GAFFNEY. We do not disagree with that at all.

Mr. WOLFF. Well, this is the point: You are going to come to us and ask us for a policy change, based upon a threat which is a very real one; but the other threat is a very real one as well. This committee is aware of the extent and the progress that has been made by the Pakistanis toward nuclear capability. Although the Government of Pakistan is reluctant to admit this, they continue to pursue this tactic.

INSPECTION OF THEIR FACILITY

Now, it would seem to me—and I cannot speak for the rest of the committee; they will have to speak for themselves—but I for one must tell you that I am not prepared to go ahead with any type of military assistance, or the suspending of the Symington and Glenn amendment, based upon the information that we have today, unless the Pakistani Government is willing to provide for our inspection of their facilities. I do not think that is too much to ask.

I would say that even that is bending my own position very strongly because I feel a nuclear weapon capability in the hands of a government that does not have the stability—any new government—would be a greater threat to the world than any possible threat there could be as a result of increased arms to Pakistan. In the first place, I do not feel that if we gave arms to Pakistan it would be sufficient if the Russians decided to move in against the Pakistanis; it would be merely throwing them a bone. At the same time you are throwing them a bone, they are going to have the capability of throwing a bomb.

I think the situation is much too critical for the Department of State to go ahead without serious consideration by the committees of Congress that are involved, especially since this legislation is on